

U.S. Census Bureau Survey of Business Owners

Company Summary: 2007

Census Bureau Economic Data
June 7, 2011

Presenters

Host	Stanley J. Rolark Chief, Public Information Office U.S. Census Bureau
Survey findings	William Bostic, Jr. Associate Director for Economic Programs U.S. Census Bureau
Data analysis	Alejandra Castillo Deputy Director Minority Business Development Agency
Survey uses	Dana M. Lewis Executive Director National Women's Business Council (NWBC)

Resources for Today's News Conference

Come to www.census.gov and click on the icon at the top left corner to obtain –

- Today's PowerPoint Presentation
- News Release – and More!
- Link to Survey of Business Owners Home Page
- Link to Guidance on Accessing SBO Data in the American FactFinder

About the Survey

- Part of the Economic Census taken every 5 years for years ending in “2” and “7”
- The only comprehensive, regularly collected data for businesses and business owners by
 - Minority status
 - Race
 - Ethnicity (Hispanic origin of any race)
 - Gender
 - Veteran status



Business Ownership by Minority Status

Categories of ownership are based on the minority status of the person or persons who owned 51% or more of the stock or equity in the business in 2007 and include:

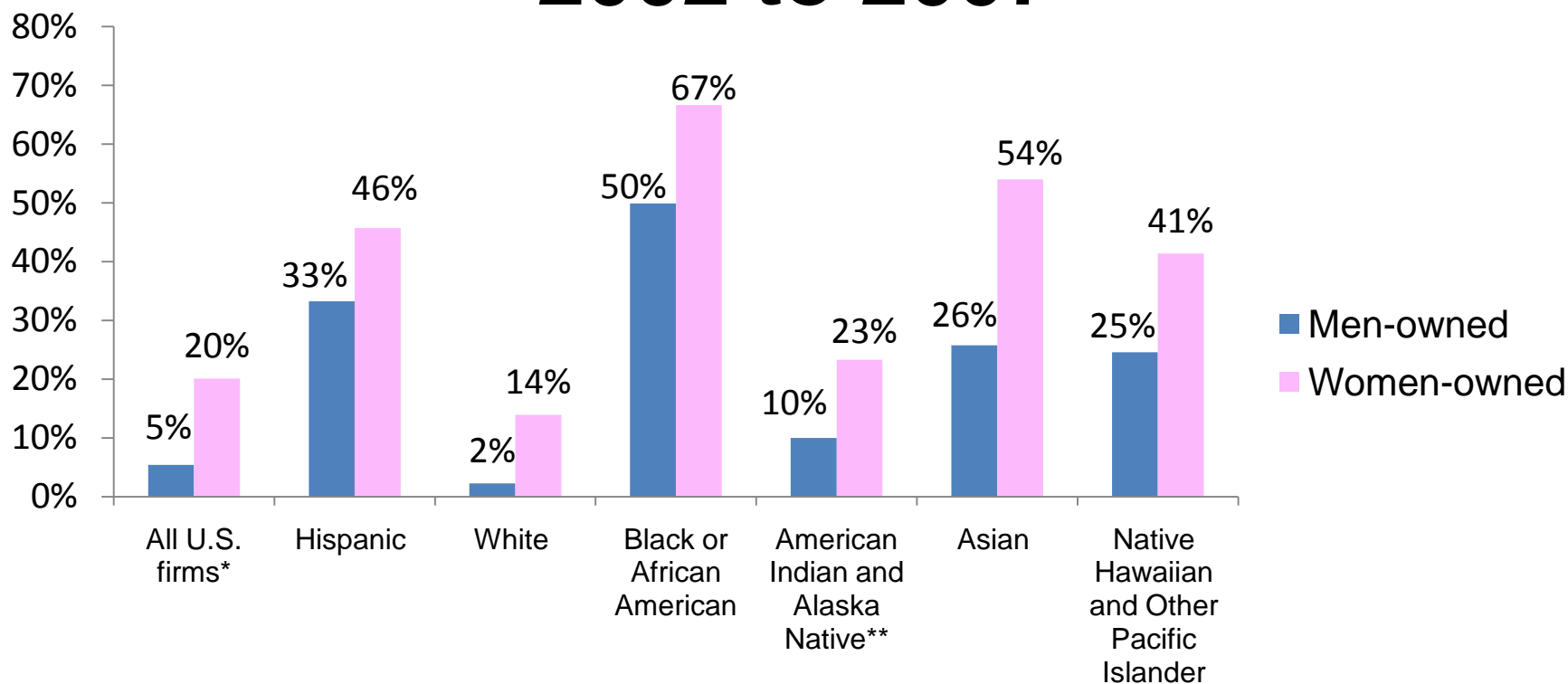
- Minority
 - Hispanic (can be of any race)
 - American Indian and Alaska Native
 - Asian
 - Black or African American
 - Native Hawaiian and Other Pacific Islander
 - Some Other Race, such as multiracial
- Equally minority/nonminority (50% / 50%)
- Nonminority or Non-Hispanic White

A Look at the 2007 Statistics for All U.S. Businesses from the SBO Company Summary

Company Summary Data

- Cross tabulations for all business groups by the gender, ethnicity, race, and veteran status of owner(s), for example, women veterans, Hispanic veterans, American Indian and Alaska Native veterans, and so on
- Separate data estimates for minority, equally minority/nonminority (50% / 50%), and nonminority businesses

Growth in Business Ownership for Select Groups by Gender: 2002 to 2007

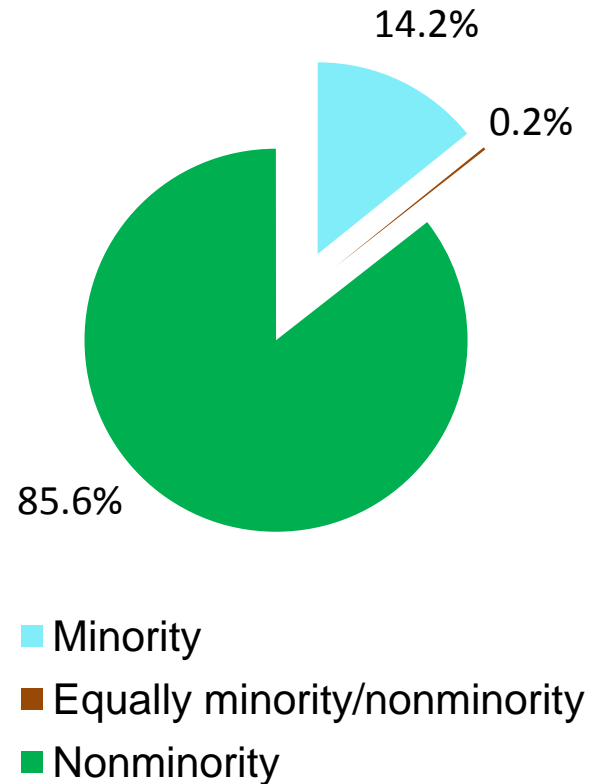
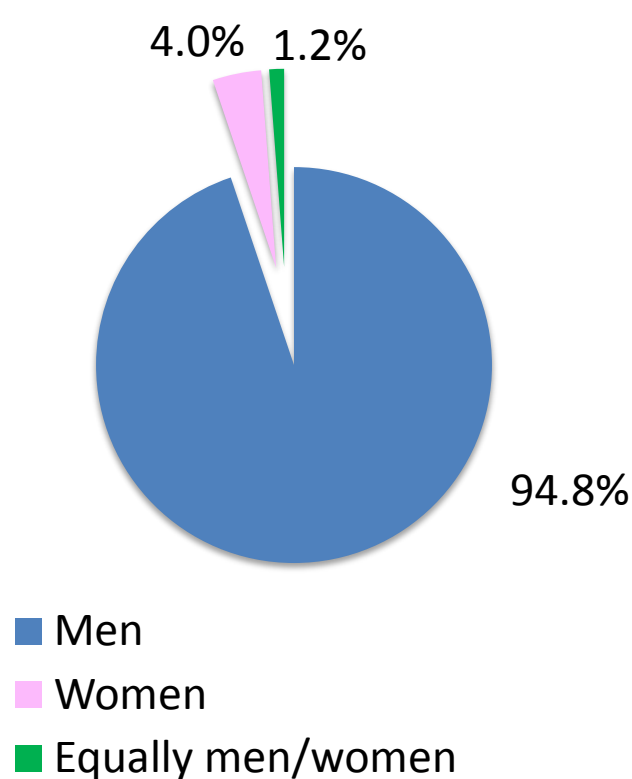


* Includes firms with paid employees and firms with no paid employees.

** Percentage change for AIAN women-owned firms is not statistically different from the women national-level percentage.

Note: Detail may not add to total because a Hispanic firm may be of any race. Moreover, each owner had the option of selecting more than one race and therefore is included with each race selected.

Veteran Business Ownership by Gender and Minority Status: 2007



Note: Detail may not add to total because of rounding. The 2007 SBO provides the first-ever estimates for all veteran-owned businesses in the United States.

Veteran Business Ownership by Gender and Minority Status: 2007

	Veteran firms (number)	% of all veteran- owned firms	Veteran sales and receipts (\$ billion)	% of all veteran firms' sales and receipts
All U.S. veteran firms ¹	2,447,608	100	1,220	100
Gender				
Women (W)	97,114	4	16	1
Men (M)	2,320,901	95	1,199	98
Equal (W,M)	29,593	1	5	< 1
Minority status				
Minority (Min)	347,910	14	63	5
Equal (Min, Nonmin)	5,219	< 1	1	< 1
Nonminority (Nonmin)	2,094,479	86	1, 156	95

¹ Includes firms with paid employees and firms with no paid employees.

Note: Detail may not add to total because of rounding. The 2007 SBO provides the first-ever estimates for all veteran-owned businesses in the United States.

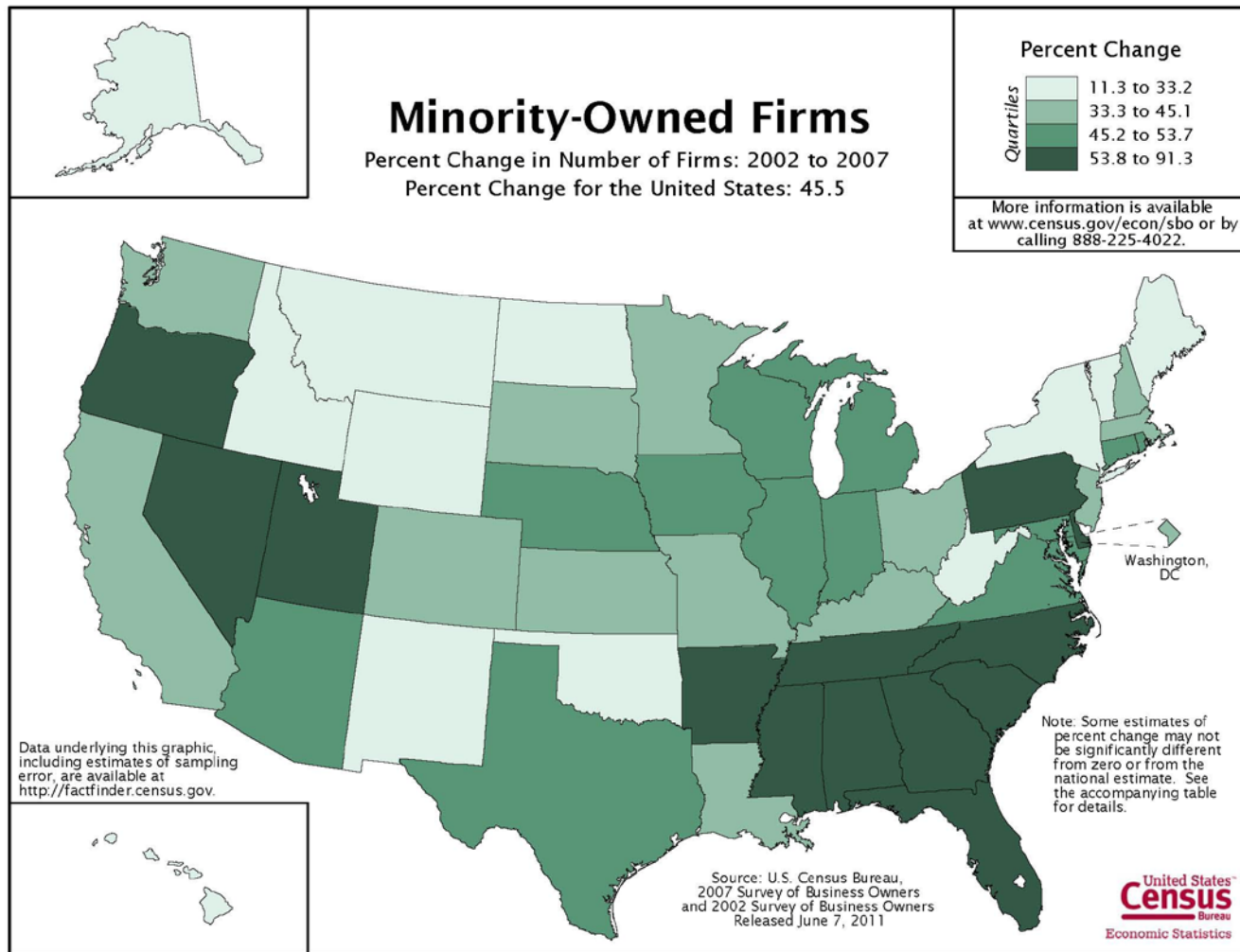
Minority Business Ownership Increased at More Than Twice the National Rate: 2002 to 2007

	Minority-owned businesses		All U.S. businesses	
	Firms (number)	% change for firms, 2002 - 2007	Firms (number)	% change for firms, 2002 - 2007
All firms ¹	5,759,209	45	27,092,908	18
Employer firms	766,533	22	5,735,562	4
Nonemployer firms	4,992,676	50	21,357,346	22

¹ Includes firms with paid employees and firms with no paid employees.

Note: Detail may not add to total because of rounding.

Percent Change in Minority-Owned Firms: 2007



Minority Business Revenues Increased Faster than National Rates: 2002 to 2007

	Minority-owned businesses		All U.S. businesses	
	Sales and receipts (\$ billions)	% change for sales and receipts, 2002 - 2007	Sales and receipts (\$ billions)	% change for sales and receipts, 2002 - 2007
All firms ¹	1,025	55	30,032	33
Employer firms	860	54	29,059	33
Nonemployer firms	164	59	973	27

¹ Includes firms with paid employees and firms with no paid employees.

Note: Detail may not add to total because of rounding.

U.S. Business Ownership by Minority Status: 2007

	Firms (number)	% of all U.S. firms	Sales and receipts (\$ billion)	% of all U.S. firms' sales and receipts
All U.S. firms ¹	27,092,908	100	30,032	100
Minority	5,759,209	21	1,025	3
Equally minority/ nonminority	434,725	2	108	< 1
Nonminority	20,100,926	74	9,816	33
Not classifiable ²	798,048	3	19,082	64

¹ Includes firms with paid employees and firms with no paid employees.

² Includes publicly held and other firms not classifiable by gender, ethnicity, race, and veteran status.

Note: Detail may not add to total because of rounding.

U.S. Employer Businesses by Minority Status: 2007

	Firms (number)	% of all U.S. employer firms	Sales and receipts (\$ billion)	% of all U.S. employer firms' sales and receipts
All U.S. employer firms ¹	5,735,562	100	29,059	100
Minority	766,533	13	860	3
Equally minority/ nonminority	85,900	1	92	< 1
Nonminority	4,337,535	76	9,063	31
Not classifiable ²	545,594	10	19,044	66

¹ Includes firms with payroll at any time during 2007. Employment reflects the number of paid employees during the March 12 pay period.

² Includes publicly held and other firms not classifiable by gender, ethnicity, race, and veteran status.

Note: Detail may not add to total because of rounding.

U.S. Nonemployer Businesses by Minority Status: 2007

	Firms (number)	% of all U.S. nonemployer firms	Sales and receipts (\$ billion)	% of all U.S. nonemployer firms' sales and receipts
All U.S. nonemployer firms ¹	21,357,346	100	973	100
Minority	4,992,676	23	164	17
Equally minority/ nonminority	348,825	2	16	2
Nonminority	15,763,391	74	754	77
Not classifiable ²	252,454	1	38	4

¹ Includes firms with no paid employees.

² Includes publicly held and other firms not classifiable by gender, ethnicity, race, and veteran status.

Note: Detail may not add to total because of rounding.

Minority-Owned Businesses and Their Proportion of All U.S. Firms by Employer Status: 2002 to 2007

	% of U.S. businesses that are minority-owned	
	Year 2007	Year 2002
All firms ¹	21	17
Employer firms	13	11
Nonemployer firms	23	19

¹ Includes firms with paid employees and firms with no paid employees.

Distribution of Firms by Receipts Size of Firm: 2007

Receipts size	% of minority-owned firms	% of equally minority-/nonminority-owned firms	% of nonminority-owned firms	% of all U.S. firms
Less than \$50,000	76	66	64	65
\$50,000 to \$99,999	8	10	10	10
\$100,000 to \$249,999	8	10	11	10
\$250,000 to \$499,999	4	6	6	5
\$500,000 to \$999,999	2	4	4	4
\$1,000,000 or more	2	4	5	5

Note: Detail may not add to 100 percent because of rounding.

Distribution of Employer Firms by Employment Size of Firm: 2007

Employment size	% of minority-owned employer firms	% of equally minority-/nonminority-owned employer firms	% of nonminority-owned employer firms	% of all U.S. employer firms
0 to 4 employees ¹	67	62	62	61
5 to 9 employees	17	19	18	18
10 to 19 employees	9	11	11	11
20 to 49 employees	5	6	7	7
50 employees or more	2	2	3	4

¹ Includes firms with payroll at any time during 2007. Employment reflects the number of paid employees during the March 12 pay period.

Note: Detail may not add to 100 percent because of rounding.

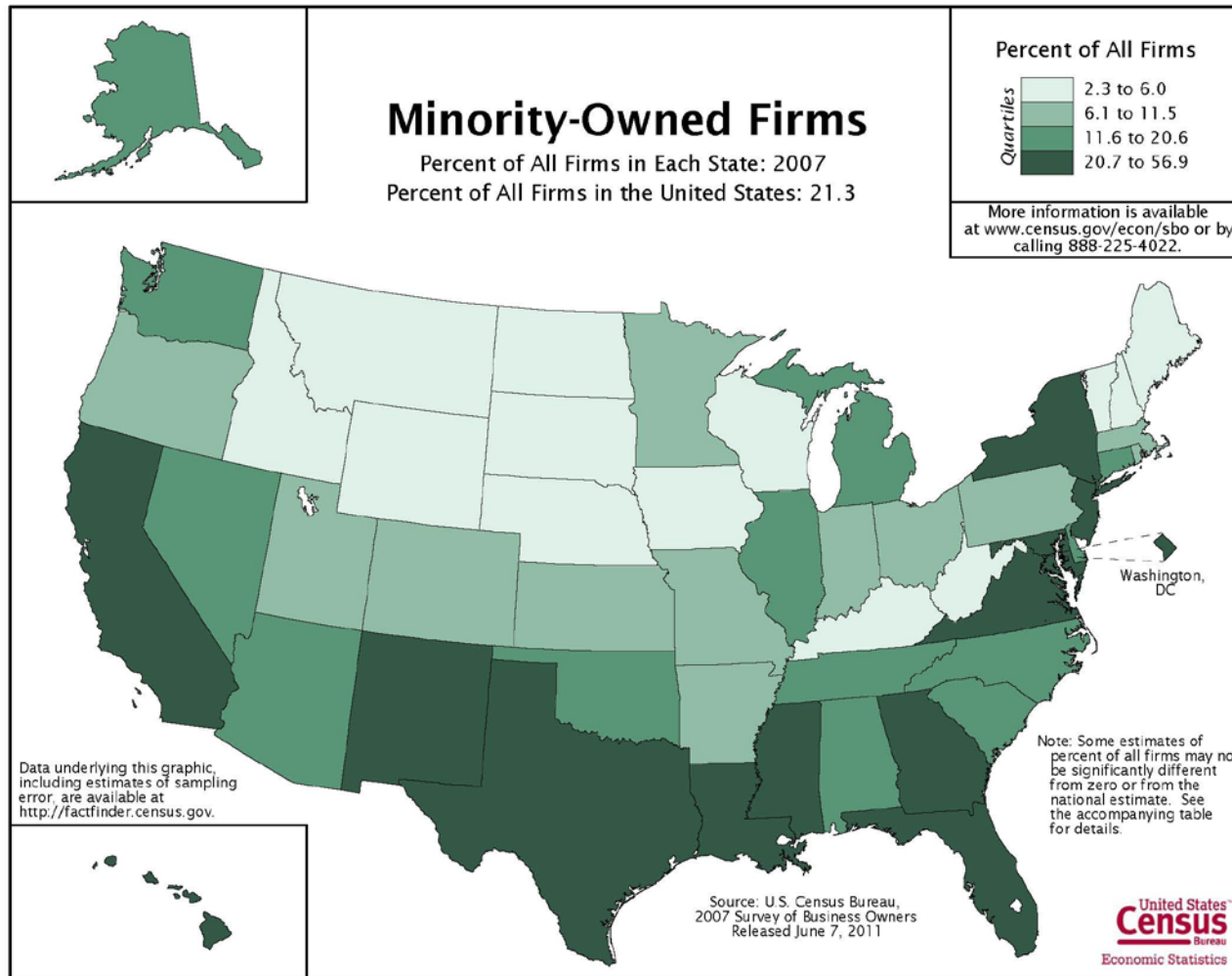
Sectors Accounting for the Largest Number of Minority-Owned Firms: 2007

Business sectors	Firms (number)	% of minority- owned firms	Sales and receipts (\$ billions)	% of minority- owned firms' sales and receipts
Total for all sectors	5,759,209	100	1,025	100
Repair, maintenance, personal and laundry services	972,980	17	38	4
Health care and social assistance	754,919	13	84	8
Administrative and support and waste management and remediation services	606,667	11	43	4
Professional, scientific, and technical services	575,857	10	81	8
Construction	551,209	10	96	9

Sectors Accounting for the Largest Number of Nonminority-Owned Firms: 2007

Business sectors	Firms (number)	% of nonminority- owned firms	Sales and receipts (\$ billions)	% of nonminority- owned firms' sales and receipts
Total for all sectors	20,100,926	100	9,816	100
Professional, scientific, and technical services	3,079,443	15	658	7
Construction	2,754,571	14	1,390	14
Repair, maintenance, personal and laundry services	2,063,094	10	199	2
Real estate and rental and leasing	2,054,121	10	369	4
Retail trade	2,042,898	10	1,743	18

Minority-Owned Firms by State: 2007



States With the Largest Number of Minority-Owned Firms: 2007

States	Firms (number)	% of firms in state	Sales and receipts (\$ billions)	% of firms' sales and receipts in state
California	1,220,581	36	284	8
Texas	723,057	33	115	4
Florida	680,069	34	101	7
New York	537,544	27	79	4
Georgia	263,356	29	30	3
Illinois	223,007	20	36	2

Largest Percentage of Minority-Owned Firms in State: 2007

States and equivalent area	Firms (number)	% of firms in state	Sales and receipts (\$ billions)	% of firms' sales and receipts in state
Hawaii	68,542	57	21	21
District of Columbia	22,505	40	5	4
California	1,220,581	36	284	8
Florida	680,069	34	101	7
Texas	723,057	33	115	4
New Mexico	48,976	31	9	7
Maryland	164,130	31	23	5

Counties With the Largest Number of Minority-Owned Firms: 2007

Counties with a population of at least 500,000	Firms (number)	% of firms in county	Sales and receipts (\$ billions)	% of firms' sales and receipts in county
Los Angeles, CA	466,312	45	125	11
Miami-Dade, FL	286,596	71	51	21
Harris, TX	169,381	46	32	4
Cook, IL	154,811	30	22	3
Queens, NY	130,327	55	13	13

Largest Percentage of Minority-Owned Firms in County: 2007

Counties with a population of at least 500,000	Firms (number)	% of firms in county	Sales and receipts (\$ billions)	% of firms' sales and receipts in county
Hidalgo, TX	46,813	71	6	24
Miami-Dade, FL	286,596	71	51	21
Prince George's, MD	50,335	69	5	10
Honolulu, HI	48,504	65	15	21
El Paso, TX	41,099	65	6	13
Bronx, NY	72,019	65	5	12
Queens, NY	130,327	55	13	13

Cities With the Largest Number of Minority-Owned Firms: 2007

Cities with a population of at least 500,000	Firms (number)	% of firms in city	Sales and receipts (\$ billions)	% of firms' sales and receipts in city
New York, NY	403,812	43	57	4
Los Angeles, CA	181,147	40	40	11
Houston, TX	106,895	49	24	5
Chicago, IL	98,750	39	12	4
Miami, FL	61,228	72	13	20
San Antonio, TX	51,030	47	7	6

Largest Percentage of Minority-Owned Firms in City: 2007

Cities with a population of at least 500,000	Firms (number)	% of firms in city	Sales and receipts (\$ billions)	% of firms' sales and receipts in city
Detroit, MI	34,513	68	2	4
El Paso, TX	33,724	64	6	13



Accessing SBO Results

- SBO Web site: www.census.gov/econ/sbo
- For access to prepackaged data products and the ability to build custom tables, visit American FactFinder (AFF), the Census Bureau's online, self-service data access tool at www.factfinder.census.gov

SBO Release Schedule

Data	Release date
Preliminary Company Summary - Estimates of Business Ownership by Gender, Ethnicity, Race, and Veteran Status	July 13, 2010
Hispanic-Owned Businesses	September 21, 2010
Women-Owned Businesses	December 7, 2010
Black-Owned Businesses	February 8, 2011
American Indian- and Alaska Native-Owned Businesses	March 11, 2011
Native Hawaiian- and Other Pacific Islander-Owned Businesses	April 1, 2011
Asian-Owned Businesses	April 26, 2011

SBO Release Schedule (continued)

Data	Release date
Veteran-Owned Businesses	May 17, 2011
Company Summary	June 7, 2011
Characteristics of Businesses	June 14, 2011
Characteristics of Business Owners	June 14, 2011

Characteristics of Businesses – June 14, 2011

Provides detailed data for all respondent firms by ownership group for business characteristics that include:

- Whether the business was family-owned, home-based, or franchised
- Types of customers and workers
- Sources and amount of financing
- Whether the business outsourced or exported
- Language(s) used for business transactions
- Use of the Internet and e-commerce
- Employer-paid benefits

Characteristics of Business Owners – June 14, 2011

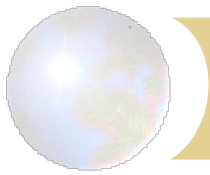
Provides detailed data for all owners of respondent firms by ownership group for owner characteristics that include:

- Owner's age, education, hours worked, and primary function in the business
- Year and how the business was acquired
- Whether the owner was born in the U.S.
- Whether the business provided the primary source of personal income
- For veterans, whether the owner was military service-disabled



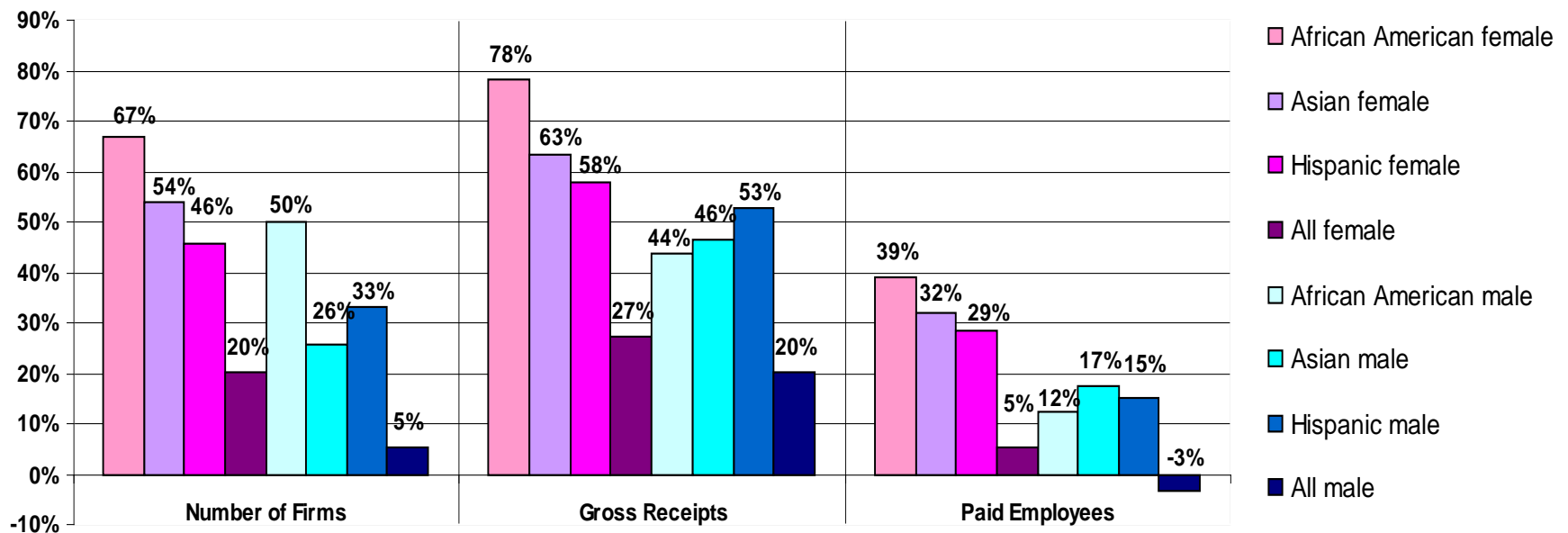
Minority Women-Owned Firms Are Fastest Growing Firms

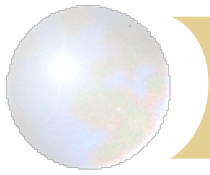
Alejandra Castillo, National Deputy Director
June 7, 2011



Minority Women-Owned Firms Are the Fastest Growing

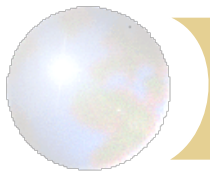
2002-2007



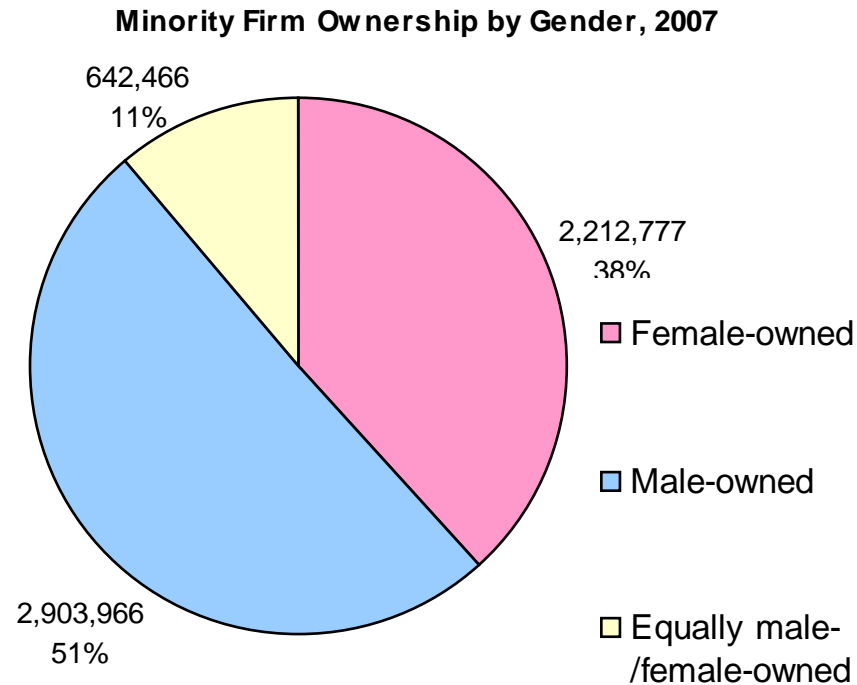


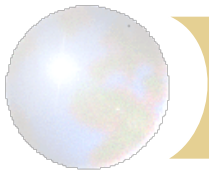
More Minority Women Are Entrepreneurs

- ✦ Many more minority men and women are embracing entrepreneurship, with minority females becoming entrepreneurs at a faster rate than any other group.
- ✦ Minority female-owned firms once again grew faster than all other groups of firms in number of firms, gross receipts and employment between 2002 and 2007.
- ✦ African American female-owned firms grew the fastest than any other group of firms in number of firms by 67%, and in employment by 39 percent.
- ✦ Firms owned by Native Hawaiian and Other Pacific Islander women had the highest increase in gross receipts, with a 90 percent growth during the same period.
- ✦ Asian women-owned firms followed African American women-owned firms with the second fastest growth in number of firms and employment; and Hispanic female-owned firms ranked third in terms of growth in those two business measures during the same period.
- ✦ In comparison, all female-owned firms grew at a slower rate than minority female-owned firms. The number of female-owned firms increased by 20 percent, their receipts by 27 percent and their employment by 6 percent.
- ✦ Male-owned firms grew at an even slower rate by 5 percent in number of firms, 20 percent in gross receipts, and experienced a loss in employment with a decrease of 3 percent in paid workers during the same period.



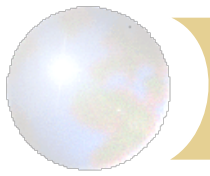
Minority-Owned Firms by Gender





Minority-Owned Firms by Gender

- ✦ In 2007, there were about 5.8 million minority-owned firms, of which 2.2 million were owned by minority women primarily (with a 51 percent ownership rate) and 2.9 million firms were owned by minority men.
- ✦ Minority female-owned firms represented 38 percent of all minority-owned firms, while minority men held 51 percent of these firms, with the remaining 11 percent equally owned by minority women and minority men in 2007.
- ✦ Minority women-owned firms generated \$186.2 billion in gross receipts (about 18% of all the receipts generated by minority-owned firms) and employed 1.2 million workers (about 21% of all the workers employed at minority-owned firms).



Minority Women-Owned Firms Are Smaller

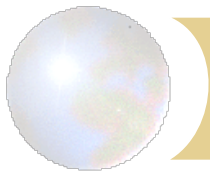
Average Gross Receipts, 2007			
Minority Female-owned businesses	<u>Non-Minority</u> Female- owned businesses	Minority Male-owned businesses	<u>Non-Minority</u> Male-owned businesses
\$84,000	\$181,000	\$245,000	\$706,000



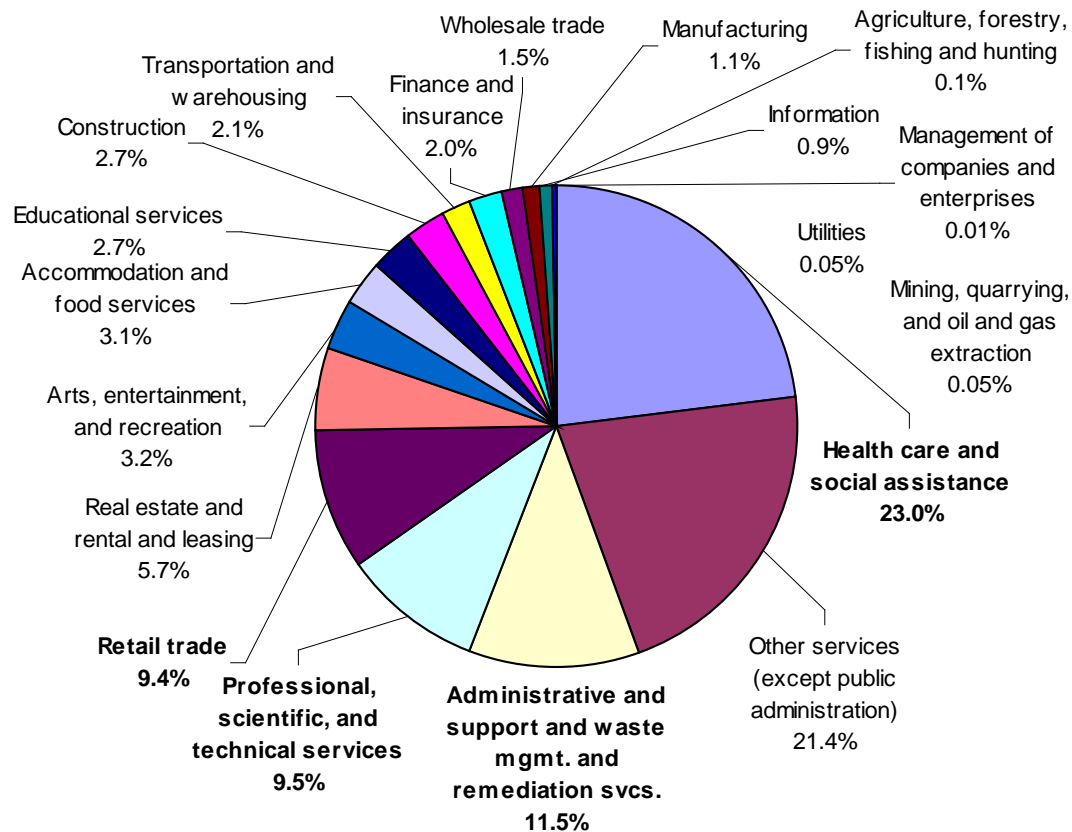
Much Room to Grow

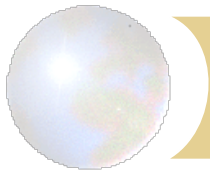


- ✦ Although minority-owned businesses are growing at a faster rate than non-minority firms, there is a large disparity in average gross receipts between minority female-owned firms and other group of firms.
- ✦ Average gross receipts of minority female-owned firms amounted to only \$84,000 per firm, less than half the average gross receipts of their non-minority female counterparts (\$181,000), and a third of the average receipts generated by minority male-owned businesses (\$245,000). Non-minority male-owned firms had the largest average gross receipts at \$706,000 per firm.
- ✦ The smaller average size of minority female-owned firms is partly explained by the fact that they had a lower rate of firms with employees. There were about 180,000 minority female-owned firms with employees representing about 8 percent of all minority female-owned firms in 2007.
- ✦ In comparison, other groups of firms had higher rates of firms with employees, with non-minority female-owned firms with employees representing 13 percent of their firms, 16 percent of minority male-owned firms had paid workers, and 25 percent of non-minority male-owned firms had paid employees in 2007.
- ✦ Among firms with employees, minority female-owned firms continued to exhibit much smaller average gross receipts (\$785,000 per firm), compared to their male and non-minority counterparts (\$1.3 million per minority male owned firm; \$1.2 million for non-minority females; and \$2.6 million for non-minority males).
- ✦ Barriers to capital and market access, as well as discrimination continue to affect the size of minority-owned firms compared to their non-minority counterparts.



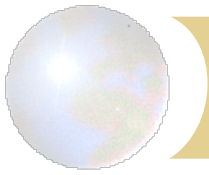
Wide Industry Distribution of Minority Women-Owned Firms





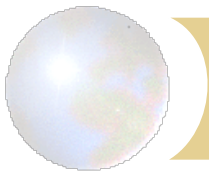
Minority Women-Owned Firms by Industry

- ✦ Minority-owned firms were widely distributed among all industry sectors. Minority female-owned firms were most concentrated in Health Care and Social Assistance (23%); Administrative and Support, Waste Management, and Remediation Services (11.5%); Professional, Scientific and Technical Services (9.5%); and Retail Trade (9.4%).
- ✦ In comparison, non-minority female-owned firms had a slightly different distribution of firms with their largest concentration of firms in Professional, Scientific and Technical Services (15.9%); followed by Health Care and Social Assistance (13%); Retail Trade (12.7%); Administrative and Support, Waste Management, and Remediation Services (9.5%); and Real Estate and Rental and Leasing (9.5%).
- ✦ Minority male-owned firms were most concentrated in Construction (15.2%); followed by Transportation & Warehousing (11.9%); Professional, Scientific and Technical Services (10.6%); and Administrative and Support, Waste Management, and Remediation Services (10%).
- ✦ Although minority female-owned firms had smaller average gross receipts compared to other firms, there were a few industries in which minority female-owned firms seemed to outperform their peers.
- ✦ Among firms with employees, minority female-owned firms had larger average gross receipts compared to minority male-owned firms in the Utilities sector.
- ✦ In the Information sector, minority female-owned firms with employees had higher payroll per employee compared to their non-minority female and male counterparts.
- ✦ Finally, in the Professional, Scientific and Technical Services sector, minority female-owned firms with employees had also higher average payroll per employee compared to their non-minority female peers.

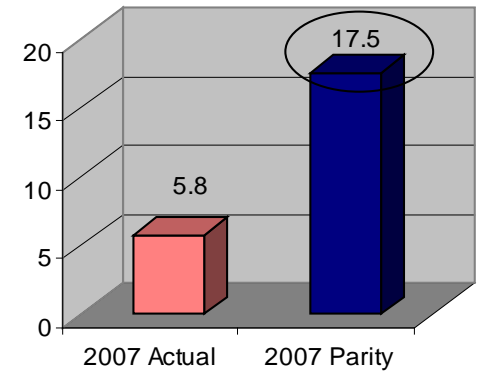
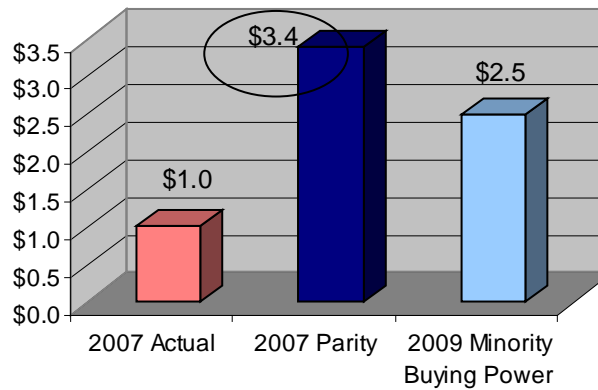
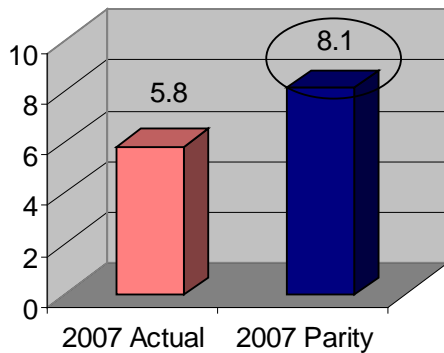


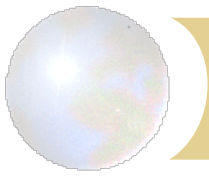
Employment and Average Payroll

- ✦ In terms of employment, minority female-owned firms are very competitive with slightly lower rates of paid workers compared to their male and non-minority counterparts.
- ✦ Minority women-owned firms with employees employed on average 7 workers per firm, while minority male-owned firms with employees had about 8 workers per firm, and non-minority female-owned firms with employees averaged 9 workers per firm.
- ✦ However, minority women-owned firms had lower average payroll per employee. Average payroll per employees at minority female-owned firms totaled about \$26,000 compared to \$29,000 for non-minority female-owned firms and \$31,000 for minority male-owned firms.
- ✦ MBDA's goal is to help grow minority male and female-owned businesses in industries with the potential for size and scale, as well as encourage job creation among these firms.



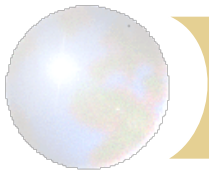
Entrepreneurial Parity



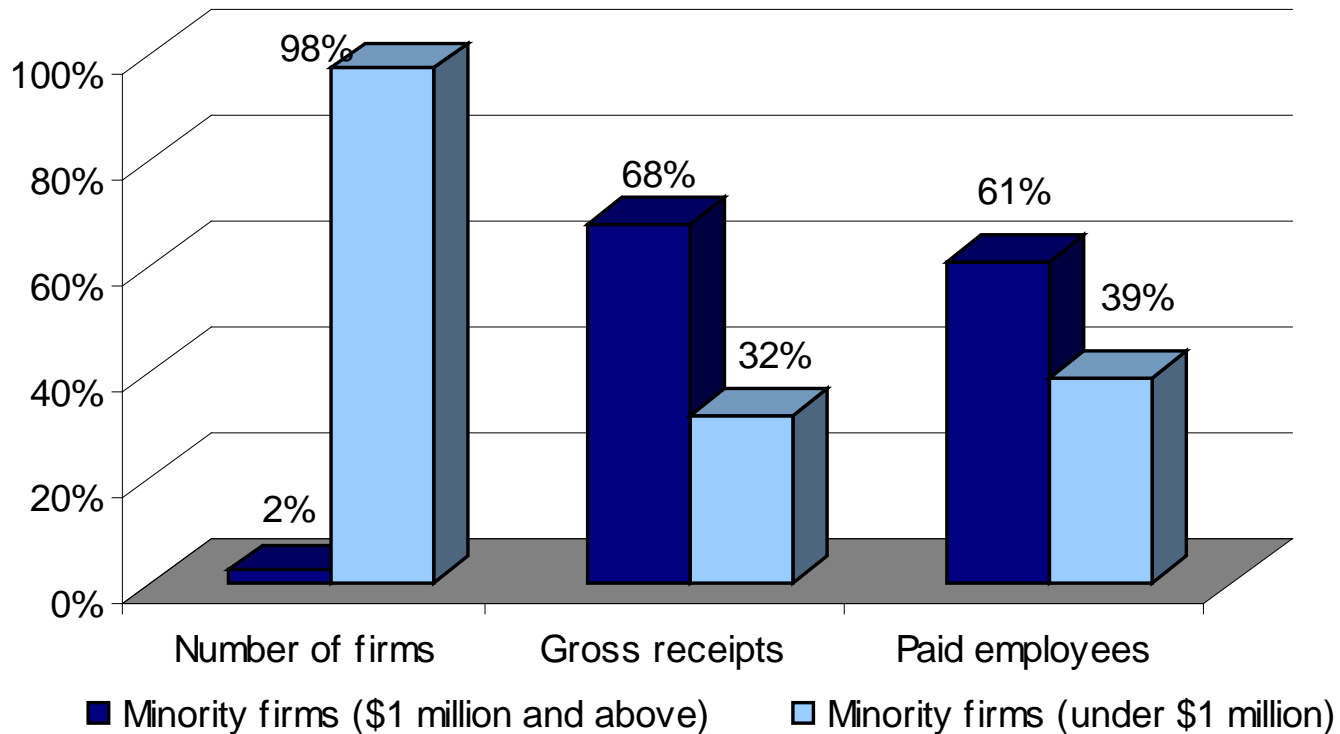


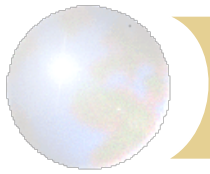
Entrepreneurial Parity

- ✦ At MBDA, we measure entrepreneurial parity of minority-owned firms, which is defined as reaching proportionality between the share of the adult minority population, 18 years old and above, in the U.S. and their business participation.
- ✦ Compared to their share of the adult population which was 31 percent in 2007, minority-owned businesses have yet to reach parity with their share of number of firms, gross receipts and employment.
- ✦ If minority-owned businesses would have reached parity in 2007, there would have been 8.1 million minority businesses, instead of 5.8 million. These firms would have generated \$3.4 trillions in gross receipts instead of \$1 trillion, and would had employed 17.5 million workers instead of 5.8 million.
- ✦ The entrepreneurial parity gap for minority women is even wider as a result of their lower participation rates as business owners.
- ✦ There is much work ahead for MBDA and the nation to try to close the entrepreneurial gap between the minority population, which continues to grow at a faster pace than non-minorities, and their business ownership share.



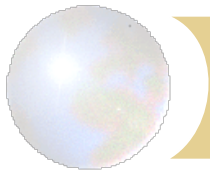
Minority-Owned Firms with \$1 Million Plus in Sales





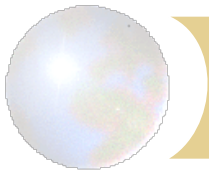
Upside of \$1 Million Plus Firms

- ✦ While smaller in number, minority-owned businesses with receipts of \$1 million or more generated a much larger percentage of all minority business' revenues and paid employment than firms with receipts under \$1 million.
- ✦ Minority-owned firms with receipts of \$1 million or more represented 2 percent of all minority firms but generated 68 percent of all minority firms' gross receipts and 61 percent of all their paid employment.
- ✦ There were 141,000 minority-owned firms with gross receipts of \$1 million or more in 2007. These firms generated combined gross receipts of \$700 billion and employed over 3.5 million workers.
- ✦ Average gross receipts of minority-owned firms generating sales of \$1 million or more grew by about 9 percent from \$ 4.6 million per firm in 2002 to about \$5 million per firm in 2007 according to MBDA estimates.



The Future

- ✦ MBDA is committed to making sure the growth and competitiveness of the minority business community continues to be a national priority.
- ✦ MBDA is creating the foundation for the next generation of \$100 million minority-owned firms capable of employing the growing minority and U.S. population, expanding the national tax base, and securing our position as a global leader.
- ✦ In fiscal year 2010, MBDA assisted minority owned firms in accessing more than \$3.9 billion in contracts and financings, and creating about 6,400 jobs.
- ✦ To grow more minority-owned firms in size and capacity, MBDA encourages minority businesses to consider growth by mergers and acquisition, joint ventures and strategic partnerships.



Contacting MBDA Public Affairs

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NATIONAL WOMEN'S BUSINESS COUNCIL



ADVISORS TO THE PRESIDENT,
CONGRESS AND THE SBA

WHO WE ARE

- The National Women's Business Council is a bi-partisan, federal advisory council created to serve as an independent source of advice and policy recommendations to the President, Congress, and the U.S. Small Business Administration on economic issues of importance to women business owners.
- Members of the Council are prominent women business owners and leaders of women's business organizations.

OUR MISSION

- The Council's mission is to promote bold initiatives, policies and programs designed to support women's business enterprises at all stages of development in the public and private sector marketplaces – from start-up to success to significance.
- The council is committed to:
 - Conducting research on issues of importance to women business owners and their organizations
 - Communicating these findings widely
 - Connecting the women's business community to one another and to public policy makers
 - Providing a platform for change in order to expand and improve opportunities for women business owners and their enterprises

Questions?

Key Upcoming Press Event from the U.S. Census Bureau

- June 14 Webinar on 2007 Characteristics of Businesses and Characteristics of Business Owners
- June 30 Webinar on 2009 County Business Patterns Data

Contact Information

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